MINISTRY OF JUSTICE AND ATTORNEY GENERAL

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS

FINANCIAL STATEMENTS

For the Year Ended March 31, 2010

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets of the Provincial Mediation Board Trust Accounts as at March 31, 2010 and the statement of changes in net assets for the year then ended. The Provincial Mediation Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets of the Provincial Mediation Board Trust Accounts as at March 31, 2010 and the changes in net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 16, 2010

Brian Atkinson, FCA
Acting Provincial Auditor

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS
STATEMENT OF NET ASSETS
As at March 31

	2010	2009
ASSETS		
Due from General Revenue Fund (Note 3)	$ 74,220	$ 108,455
NET ASSETS		
Trust account balances (Statement 2)		
Orderly payment of debts program	$ 62,414	$ 88,882
Consumer proposals	---	3,854
Mediation of debts program	10,486	13,999
Tax enforcement proceedings	1,320	1,720
Net assets (Note 2b)	$ 74,220	$ 108,455

(See accompanying notes to the financial statements)

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31

	2010	2009
ORDERLY PAYMENT OF DEBTS PROGRAM		
Receipts from clients	$ 615,977	$ 967,315
Payments to creditors	(547,014)	(892,682)
Application and administration fees	(95,431)	(155,556)
Decrease in net assets	(26,468)	(80,923)
Net assets, beginning of year	88,882	169,805
Net assets, end of year (Statement 1)	$ 62,414	$ 88,882
CONSUMER PROPOSALS		
Receipts from clients	$ 4,390	$ 15,570
Interest from General Revenue Fund (Note 3)	---	100
Payments to creditors	(6,306)	(19,202)
Application and administration fees	(1,938)	(4,856)
Decrease in net assets	(3,854)	(8,388)
Net assets, beginning of year	3,854	12,242
Net assets, end of year (Statement 1)	$ ---	$ 3,854
MEDIATION OF DEBTS PROGRAM		
Receipts from clients	$ 134,658	$ 97,229
Payments to creditors	(130,725)	(94,975)
Application and administration fees	(7,446)	(8,900)
Decrease in net assets	(3,513)	(6,646)
Net assets, beginning of year	13,999	20,645
Net assets, end of year (Statement 1)	$ 10,486	$ 13,999
TAX ENFORCEMENT PROCEEDINGS		
Receipts from municipalities	$ 14,995	$ 16,495
Payments to municipalities	(320)	---
Application and administration fees	(15,075)	(16,715)
Decrease in net assets	(400)	(220)
Net assets, beginning of year	1,720	1,940
Net assets, end of year (Statement 1)	$ 1,320	$ 1,720

(See accompanying notes to the financial statements)

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS
NOTES TO FINANCIAL STATEMENTS

March 31, 2010

1. Legislative Authority

The Provincial Mediation Board Trust Accounts (Trust Accounts) were established for the purpose of receiving and disbursing monies for persons who have entered into negotiations for the settlement of debts, either through the Orderly Payment of Debts Regulations, Consumer Proposal Program, *The Provincial Mediation Board Act*, or *The Tax Enforcement Act.*

Effective January 1, 2010, the Consumer Proposal Program is no longer being offered by the Provincial Mediation Board. All outstanding Consumer Proposals have been wound up.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant.

a) Receipt and Payment of Trusts

Monies are held in trust on behalf of clients and paid out to creditors through mutually agreed upon payment plans.

b) Net Assets

Net assets are the total of the various trust monies held on behalf of persons who have entered into negotiations for the settlement of debts, either through the Orderly Payment of Debts Regulations, Consumer Proposal Program, *The Provincial Mediation Board Act,* or *The Tax Enforcement Act.*

c) Applications and Administration Fees

Under Parts III and X of *The Bankruptcy and Insolvency Act*, the Consumer Proposals and the Orderly Payment of Debts Consolidation Orders are subject to application and administration fees which are deducted and paid to the Ministry of Justice and Attorney General.

3. Related Party Transactions

In accordance with established government practice, the Trust Accounts have not been charged with any administrative costs and no provision for such cost is reflected in these statements. These costs are borne by the Ministry of Justice and Attorney General from monies appropriated by the Legislature for such purposes.

The Provincial Mediation Board's bank accounts, described as due from the General Revenue Fund, are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The bank account set up to handle Consumer Proposals earns interest that the General Revenue Fund calculates and pays monthly to the Trust using the Government's thirty-day borrowing rate and the Trust's average daily bank account balance. The Government's average thirty-day borrowing rate for 2009-10 is 0.27% (2008-09 – 1.95%). Interest is allocated to clients based on their balances.

No interest is paid on the other bank account used for the remaining programs.

4. Financial Instruments

Financial instruments consist of amounts due from General Revenue Fund. There are no significant terms and conditions related to the financial instruments that may affect the amount, timing and certainty of future cash flows. The carrying value of these instruments approximates fair value due to their immediate or short-term nature.